

Message Text

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50

ACTION EB-03

INFO OCT-01 SS-14 ADP-00 NEA-06 EUR-10 IO-03 L-02 PRS-01

OMB-01 TRSE-00 STR-01 CIAE-00 INR-10 NSAE-00 RSC-01

NSC-10 NSCE-00 ARA-10 SCEM-01 RSR-01 /075 W

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R 111243Z AUG 73

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 3435

INFO AMEMBASSY ABU DHABI

AMEMBASSY BONN

AMEMBASSY CARACAS

AMEMBASSY THE HAGUE

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY TEL AVIV

USMISSION OECD PARIS

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

USUN NY 590

USMISSION EC BRUSSELS

AMEMBASSY VIENNA

AMCONSUL DHAHRAN

USINT ALGIERS

USINT CAIRO

AMEMBASSY BEIRUT

C O N F I D E N T I A L TEHRAN 5681

LIMDIS

BEIRUT PASS BAGHDAD

E.O. 11652: GDS

TAGS: ENRG, IR, OPEC

SUBJECT: IRANIAN AMBASSADOR TO VENEZUELA'S STATEMENT ON COMPENSATION

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REF: CARACAS 6433

1. CONTRARY TO AMBASSADOR FARMANFARMAIAN'S ASSERTIONS, COMPENSATION IS BEING PROVIDED TO THE CONSORTIUM UNDER THE PURCHASE AGREEMENT RATIFIED BY GOI JULY 31. AGREEMENT PROVIDES THAT CONSORTIUM TRADING COMPANIES WILL BUY OIL AT TAX-PAID COST PLUS A FEE CALLED THE BALANCING MARGIN. BALANCING MARGIN IS SO CALCULATED THAT THE PER BARREL FEE IS DECREASED TO PROVIDE COMPANIES COMPENSATION FOR PAST INVESTMENT.

2. MORE ACCURATE DESCRIPTION OF OIL SALES IS THAT NATIONAL IRANIAN OIL COMPANY WILL TAKE DOMESTIC NEEDS PLUS STATED QUANTITY FOR EXPORT (RANGING FROM 200,000 BD MARCH 21 - DEC 31, 1973, TO 1,500,000 BD IN 1981) AND WILL SELL ALL OR NEARLY ALL OF REMAINDER TO CONSORTIUM MEMBERS. THUS CONSORTIUM MEMBERS NOT RESTRICTED TO PREDETERMINED MAXIMUM LIFTINGS. SEE SPECIAL SUPPLEMENT TO PIW, JULY 23, ARTICLES 2 AND 3, FOR FURTHER DETAIL.
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